

PUBLIC COMMITTEE CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for)
Certification for the) Docket No. 99-AFC-5
OTAY MESA GENERATING)
PROJECT (PG&E Generating))
-----)

SAN DIEGO COUNTY ADMINISTRATION BUILDING
SOUTH BOARD CHAMBERS, ROOM 358
1600 PACIFIC HIGHWAY
SAN DIEGO, CALIFORNIA

FRIDAY, APRIL 6, 2001
10:10 A.M.

Reported by:
Valorie Phillips
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert Laurie, Presiding Member

Susan Gefter, Hearing Officer

Scott Tomashefsky, Advisor to
Commissioner Laurie

STAFF PRESENT

Jeff Ogata, Senior Staff Counsel

Eileen Allen, Project Manager

PUBLIC ADVISER

Roberta Mendonca

REPRESENTING THE APPLICANT

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INTERVENORS PRESENT

Emilio Varanini, Attorney
Matthew Goldman, Attorney
Livingston & Mattesich
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Sacramento, CA 95814
representing Cabrillo Power

Robert K. Weatherwax, President
Sierra Energy and Risk Assessment, Inc. (SERA)
One Sierra Gate Plaza, Suite C287
Roseville, CA 95678-6607
representing Cabrillo Power

William E. Claycomb, President
Save Our Bay, Inc.

Holly Duncan

Jane E. Luckhardt, Attorney
Downey, Brand, Seymour & Rohwer
555 Capitol Mall, 10th Floor
Sacramento, CA 95814-4686
representing Duke Energy

ALSO PRESENT

Bill Horn, Chairman, Supervisor, 5th District
San Diego County Board of Supervisors

Henry Morse, Director of Project Development
PG&E Gas Transmission Northwest
Project Manager, United States' Portion of North
Baja Pipeline Project

Jose Calderon, President, Mexican and American
Business and Professional Association
Chairperson, Latino Advisory Committee
Chairperson, Latino Political Coalition

Tony Fiori
San Diego Regional Chamber of Commerce

Pepper Coffey

Gaye Soroka, Vice President Government Affairs
Waste Management of San Diego

Hugo Searle Miller
Consulting

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 P R O C E E D I N G S

2 10:10 a.m.

3 PRESIDING MEMBER LAURIE: My name is
4 Robert Laurie. I'm a Commissioner at the
5 California Energy Commission and Presiding Member
6 of the Commission Committee hearing the Otay Mesa
7 application. My colleague on the Committee,
8 Commissioner Pernell, will not be joining us
9 today.

10 The purpose of today's hearing is to
11 receive comments from the parties and the public
12 on the Presiding Member's Proposed Decision.

13 I'd like to introduce on my left my
14 Senior Adviser, Mr. Scott Tomashefsky. To my
15 right is the Hearing Officer for our case, Ms.
16 Susan Gefter. In a moment I'll ask Ms. Gefter to
17 initiate administration of the proceedings today.

18 Before we do that, however, I understand
19 Supervisor Bill Horn is present. Good morning,
20 sir, and we'd like to offer you an opportunity to
21 make comment at this time if you would like to do
22 so.

23 SUPERVISOR HORN: Thank you. I
24 appreciate allowing us to speak to the Commission.

25 I'm Chairman of the Board of Supervisors

1 for the County of San Diego, and we are in
2 support, as a Board, unanimously for the issuance
3 of the final permit for the construction of the
4 Otay Mesa Generating Plant that will play a key
5 role in solving the energy problem that's plaguing
6 San Diego County.

7 On March 19th and 20th was our first
8 experience with the ISO's blackouts rolling
9 through the County. I am still of the contention
10 and believe that we should not have to have had
11 experienced that pain. We had the ability to keep
12 the lights on all the time, but I guess we have to
13 spread the pain around.

14 The people of San Diego know firsthand
15 the impacts of the power shortages. Last summer
16 this region was hit by skyrocketing consumer bills
17 and last month the lights for us went out for the
18 first time. And we just had finished a biotech
19 conference. We had over 500 biotech companies
20 that are involved in research in San Diego County.
21 And for many of them, three of them I know
22 specifically, they lost three years worth of
23 research in 15 minutes with no warning that the
24 lights were going to go out. And all they --

25 PRESIDING MEMBER LAURIE: And when was

1 that?

2 SUPERVISOR HORN: This was just this
3 last blackout that we had. And they asked that
4 they just be warned because they were not given a
5 warning. And I met with SDG&E yesterday and
6 hopefully we're going to be able to give those
7 companies at least an hour's warning or 45 minutes
8 warning before that happens again.

9 So they do have the ability to go to
10 backup generation. And many of them bought long-
11 term contracts, but I guess they have to share the
12 pain. Our goal is to keep the research in place
13 during that period of blackout.

14 So, that's a major issue to us. And we
15 think that this new plant at Otay Mesa will at
16 least start to solve part of this problem.

17 I was a little bit surprised last night
18 to see the Governor do a 180. I'm not sure anyone
19 has their handle around how we're going to solve
20 this problem, and I don't mean to pick on the
21 Governor. But at the same time, it's a serious
22 matter to the economy of the County of San Diego.

23 The Board of Supervisors unanimously
24 supports the Otay Mesa Generation Plant, as I've
25 pointed out. We believe the project developers

1 have done an extraordinary job of addressing the
2 community needs, and the concerns related to the
3 project.

4 I have sat on the APCD, as you know, Air
5 Quality Control Board. The project is
6 contributing 1.2 million to the Air District for
7 our PM10 reduction programs. We also are very
8 pleased that the project was located in east Otay
9 Mesa where we hope to develop a major new
10 technological park. It sits right on the border,
11 and as you know, the NAFTA trade issue is right
12 there. We think this will provide critical
13 infrastructure in the developments of that area.

14 We're very pleased to see that the
15 Presiding Member's Proposed Decision recommending
16 the issuance of the permit for the construction of
17 this plant. And I urge you today to move quickly
18 as possible to give final approval of the Otay
19 Mesa project so that construction can start.

20 I understand that their only outstanding
21 opponents in San Diego County are Cabrillo, which
22 operates the Encinas plant, and Duke, which
23 operates South Bay's plant.

24 And these companies are competitors
25 obviously, but one thing I'd point out, in the

1 last shortage both of these plants were not
2 operating anywhere near 50 percent capacity. And
3 if they had been I don't think we should have
4 experienced the blackouts. I realize that's the
5 ISO's decision.

6 So we would ask that enough is enough
7 with these two folks, and we think the additional
8 plant will be an improvement. We obviously need
9 some more and we're looking at other plants around
10 the County that we can put in.

11 San Diego is doing its part to help
12 bring more production on line, not only for us in
13 the County, we're also asking the state to allow
14 us to form an MUD, Municipal Utility District,
15 which we would allow them to keep the power in San
16 Diego.

17 With that, I'd be happy to answer any
18 questions. I just would like you to know the
19 entire Board voted unanimously to support this
20 construction.

21 PRESIDING MEMBER LAURIE: Thank you, Mr.
22 Chairman, very much. Your comments are
23 appreciated.

24 Ladies and gentlemen, at this time I
25 will ask Ms. Gefter to review the procedures that

1 we're going to follow today. Recall, the sole
2 purpose of today is to provide opportunity for
3 comment on the Presiding Member's Proposed
4 Decision.

5 Ms. Gefter will be asking for the
6 parties to identify themselves. We will then
7 discuss the procedure, and we will be providing an
8 opportunity for public comment before this hearing
9 is over this morning.

10 Ms. Gefter.

11 HEARING OFFICER GEFTER: We'd like to
12 take introductions for the record before we begin,
13 and we'd ask the applicant to introduce your
14 representatives at this time.

15 MR. CARROLL: Good morning. My name is
16 Mike Carroll; I'm with the lawfirm of Latham and
17 Watkins. WE are counsel to the applicant, PG&E
18 National Energy Group.

19 On my left is the Project Manager,
20 Sharon Segner; and on my right is Peter Hanschen
21 of the lawfirm of Morrison and Foerster, also
22 counsel to the applicant.

23 HEARING OFFICER GEFTER: Thank you, and
24 for Commission Staff.

25 MS. ALLEN: Eileen Allen, Commission

1 Staff Project Manager.

2 MR. OGATA: Jeff Ogata, Staff Counsel
3 for the Staff.

4 HEARING OFFICER GEFTER: For Intervenor
5 Cabrillo Power.

6 MR. VARANINI: I'm Gene Varanini; I'm
7 with the lawfirm of Livingston and Mattesich. And
8 with me is my colleague, and we're here today for
9 Cabrillo.

10 HEARING OFFICER GEFTER: Okay, and for
11 Duke Energy.

12 MS. LUCKHARDT: Hi, my name is Jane
13 Luckhardt from Downey, Brand, Seymour and Rohwer
14 on behalf of Duke Energy North America.

15 HEARING OFFICER GEFTER: Thank you. Mr.
16 Claycomb for Save Our Bay.

17 MR. CLAYCOMB: I'm William A. Claycomb,
18 President of Save Our Bay, Inc. We're an
19 intervenor.

20 HEARING OFFICER GEFTER: Thank you. And
21 I just saw that Ms. Duncan has entered the room.
22 Ms. Duncan, could you come forward, please, and
23 make your appearance?

24 MS. DUNCAN: Holly Duncan.

25 HEARING OFFICER GEFTER: Thank you.

1 PRESIDING MEMBER LAURIE: Ms. Gefter,
2 before you're done, I'm going to ask for a time
3 estimate from the parties so we can allocate the
4 time that we have fairly this morning.

5 HEARING OFFICER GEFTER: Can the
6 applicant indicate how much time you expect to
7 spend on your comments?

8 MS. SEGNER: Five to ten minutes.

9 HEARING OFFICER GEFTER: And staff?

10 MS. ALLEN: Two minutes.

11 HEARING OFFICER GEFTER: Thanks.

12 Cabrillo Power?

13 MR. VARANINI: Well, we have a witness
14 here today, or an expert here today who, if you
15 grant us permission, would like to discuss his
16 report and its impacts on the Presiding Member's
17 Proposed Decision.

18 If that's allowed I think we would take
19 about 20 minutes.

20 HEARING OFFICER GEFTER: And Duke?

21 MS. LUCKHARDT: Probably five to ten
22 minutes.

23 HEARING OFFICER GEFTER: Mr. Claycomb.

24 MR. CLAYCOMB: Ten to 15, maximum of 15.

25 HEARING OFFICER GEFTER: Ms. Duncan?

1 MS. DUNCAN: Five minutes.

2 HEARING OFFICER GEFTER: Thank you.

3 PRESIDING MEMBER LAURIE: One moment,
4 please.

5 (Pause.)

6 HEARING OFFICER GEFTER: We understand,
7 of course, that the parties have several speakers,
8 and based on the time limits, the time that each
9 party indicated they wanted to use for making
10 their presentations, each party will be limited to
11 that amount of time.

12 So in the event that, for example, Mr.
13 Varanini also wants to invite Mr. Weatherwax to
14 make comment, we would limit all the comments for
15 your entire presentation to 20 minutes. And so we
16 need you to allocate the time between yourself and
17 Mr. Weatherwax.

18 The other point that I need to make for
19 the record is that the evidentiary record is
20 closed. We are very willing to listen to Mr.
21 Weatherwax's presentation and we do have the
22 filing that you submitted to us.

23 And I did want to indicate that each of
24 the parties has filed comments on the proposed
25 decision. We have those in our record.

1 We also have a motion from Mr. Claycomb
2 to reopen the record, which you may discuss in
3 your five-minute, ten-minute -- I believe you
4 asked for ten minutes, 10 to 15 minutes, is that
5 correct?

6 MR. CLAYCOMB: Ten, maximum 15.

7 HEARING OFFICER GEFTER: And all right,
8 you can address that in your comments.

9 MR. VARANINI: Ms. Gefter?

10 HEARING OFFICER GEFTER: Yes.

11 MR. VARANINI: Before -- I have a
12 procedural question assuming that won't count
13 against our 20 minutes, if you allow me to ask it.

14 HEARING OFFICER GEFTER: Go ahead.

15 MR. VARANINI: We're aware of the nature
16 of the Commission process as essentially an
17 evidentiary process under the Warren Alquist Act,
18 and an evidentiary and administrative process
19 under CEQA and the CEQA equivalency.

20 And we have filed a 17-or-so page
21 analysis authored by Mr. Weatherwax to inform the
22 Committee about our concerns that we've expressed
23 from day one about this decision.

24 And what I'd like to do is to call your
25 attention to your rule 1752.5. And our

1 understanding of that rule is that today what
2 we're doing is we are making a CEQA comment,
3 through Mr. Weatherwax, on the proposed decision.
4 And that the Committee is obligated, under CEQA
5 and CEQA equivalency, to respond as it sees fit to
6 those comments.

7 So that Mr. Weatherwax's information is
8 not simply information, but it is an official CEQA
9 comment. And that raises, within the process, the
10 dignity of either explicit no response, or no
11 response. Then it's our understanding that if
12 there is or isn't a response from the Committee,
13 that because it's a CEQA comment, that it is
14 relevant in the hearing before the full
15 Commission. And that it is not treated as, nor is
16 excluded from presentation to the full Commission
17 because it's an evidentiary matter that wasn't
18 before the Committee.

19 And I think we need some clarification
20 because we're assuming that 1752.5 provides a
21 vehicle to put this matter, put this analysis
22 before the Commission. And if that's not the
23 case, then it would be, I think, important to have
24 that clarified.

25 (Pause.)

1 HEARING OFFICER GEFTER: Mr. Varanini,
2 could you quote the language from 1752.5 --

3 MR. VARANINI: It says, and this is to
4 our understanding, the PMPD shall contain the
5 complete responses -- Committee's responses to
6 significant environmental points raised during the
7 application proceeding.

8 And then I would say as distinguished
9 from the evidentiary record, or inclusive of the
10 evidentiary record.

11 HEARING OFFICER GEFTER: Well, whether
12 or not we agree with your interpretation of that
13 particular provision of the regulations, you may,
14 of course, present your comment. And the
15 Committee will respond to the comments, and you
16 will, of course, have the opportunity to bring
17 your comments to the full Commission when they
18 review the proposed decision.

19 MR. VARANINI: Fine, thank you,
20 that's -- we just wanted to clarify a procedural
21 point.

22 PRESIDING MEMBER LAURIE: So how is that
23 relevant to the question of what you intend to
24 talk about today?

25 MR. VARANINI: That was just a timing

1 matter, whether it was going to have any
2 implication on my 22 minutes, or 21 minutes.

3 PRESIDING MEMBER LAURIE: I thought it
4 was now down to 17 and a half. Okay.

5 MR. VARANINI: That'll work.

6 MR. CARROLL: On behalf of the
7 applicant, there's still some confusion. And I'd
8 like to second Commissioner Laurie's comment.

9 The section that was cited relates to
10 the required content of the PMPD. If Mr. Varanini
11 is arguing that the PMPD is inadequate in some
12 respect, that's one thing.

13 But I fail to see how that relates in
14 any way to the comments that they plant to present
15 today.

16 PRESIDING MEMBER LAURIE: Well, I think
17 it's relevant to the extent that if Mr. Varanini
18 wishes to argue that the PMPD is deficient because
19 it failed to address a significant environmental
20 point because I'm willing to listen to that for
21 some reasonable period of time.

22 As noted, the evidentiary record is
23 closed. And at this hearing today we do not
24 intend to receive any new evidence. Therefore,
25 the parameter of the comment, I suggest, will, by

1 its very nature, be constrained.

2 All public comment is part of the
3 hearing record, but it will not have the weight of
4 evidence.

5 The relevance of 1752.5, now I
6 understand that the PMPD has to respond to
7 significant environmental points, and I'm
8 confident that it did. And I'm confident that it
9 will. To the extent that any party wishes to
10 comment on that, feel free to do so.

11 Okay.

12 MR. CARROLL: We appreciate the
13 clarification.

14 HEARING OFFICER GEFTER: Later, after
15 the parties have made their presentations I do
16 want to indicate that we will take public comment.
17 And we will allocate as much time as necessary --

18 MS. MENDONCA: Hi, this is Roberta
19 Mendonca. I would like the record to show that
20 the Public Adviser is here today. And for those
21 members of the public who would like to make
22 public comment, just sort of send me a signal and
23 we'll put your name on a yellow card. And I'll
24 make sure that the Hearing Officer gets the name
25 of the speaker.

1 HEARING OFFICER GEFTER: Thank you very
2 much.

3 At this --

4 MS. SEGNER: Ms. Gefter, I would also
5 just mention that Henry Morse of North Baja Pipe,
6 LLC, is here, as well, to discuss the progress of
7 the North Baja Pipe. Obviously, it's not the
8 applicant, but is here available and has a
9 presentation to make.

10 HEARING OFFICER GEFTER: And we'll
11 include that in your presentation.

12 MS. SEGNER: Okay, then we need ten
13 minutes, then.

14 HEARING OFFICER GEFTER: Yes, you need
15 ten minutes.

16 Okay, we will begin with the applicant's
17 presentation at this time.

18 MS. SEGNER: My name is Sharon Segner;
19 I'm with PG&E National Energy Group. Before I go
20 into our formal comments, legally I must disclose
21 to you our disclaimer, as well.

22 PG&E National Energy Group is not the
23 same company as Pacific Gas and Electric Company,
24 the California utility. It's not regulated by the
25 California Public Utilities Commission. Customers

1 of Pacific Gas and Electric do not have to buy
2 products or services from PG&E National Energy
3 Group in order to continue to receive quality
4 regulated services from Pacific Gas and Electric
5 Company.

6 My role with PG&E National Energy Group
7 is to develop Otay Mesa project.

8 Our focus here today is very simple.
9 We're focused on getting this plant on line as
10 quickly as possible. We're focused on receiving a
11 final CEC permit as quickly as possible.

12 We're focused on moving this project
13 into construction and financing. Because of this
14 focus we are requesting the Committee to take this
15 project for a full Commission vote on April 18th.

16 Why the importance of this focus?
17 Because any CEC delay, whether it's a week or two
18 months, puts the plant at greater risk of not
19 coming on line in 2003.

20 There were blackouts in San Diego two
21 weeks ago, and San Diego needs this capacity. And
22 2003 is even more critical and the schedule is
23 already tight.

24 We're focused on the April 18th vote
25 because we accept the PMPD as issued by the

1 Committee with only minor clarifications. We
2 accept the staff clarifications to the PMPD, as
3 well.

4 We have submitted our comments earlier
5 this week to the CEC and we only have minor
6 clarifications. We ask the Committee to accept
7 the minor clarifications and take this application
8 to the full Commission vote on April 18th.

9 We also ask the Committee today to
10 continue to see the comments of the project's
11 fiercest opponents, the existing generators here
12 in San Diego, that would like to continue to
13 exercise market power in the summer of 2003
14 without Otay Mesa on line, as what they are.
15 Delay tactics.

16 Delay tactics to force this project to
17 come on line past the summer of 2003. The
18 opponents of this power plant would have you
19 believe this proceeding is a debate on the
20 environment. The reality is that these plants
21 have refused to put on state of the art emissions
22 control technology immediately. And they refuse
23 to burn the cleanest type of fuel possible.

24 There's a fantastic debate to be had
25 here on environmental issues; however, it's not in

1 our proceeding. It's in their proceeding, and
2 it's their issue.

3 We support and appreciate the
4 Committee's proposed decision that there is no
5 nexus between our proceeding and their issues.

6 Today we're here to answer the
7 Committee's questions on natural gas. In order to
8 do this, we've asked the experts to speak on these
9 issues. Henry Morse, the Project Manager for the
10 North Baja Pipeline is here to address the status
11 of the pipeline and its licensing at FERC.

12 Otay's business plan is to continue to
13 permit and interconnect to both San Diego Gas and
14 Electric and North Baja Pipeline. Otay Mesa has
15 secured and recorded the relevant easements to the
16 U.S./Mexico border to connect to North Baja.

17 We remain committed to pursuing both
18 interconnections as part of our summer 2003 online
19 strategy.

20 Our position on permit conditions
21 related to gas remains the same and will not
22 change. We will not accept the self-serving
23 conditions advocated by our competitors who are
24 trying to delay the project.

25 Most importantly, these conditions are

1 not warranted. And the impact of these conditions
2 absolutely will delay the power plant coming on
3 line till 2004 or 2005. We will not accept the
4 conditions proposed by the competitors.

5 We thank the Committee, and we thank the
6 staff for their proposed decision that will allow
7 a summer of 2003 online date to be within reach.

8 Our focus remains on April 18th, and
9 getting online as quickly as possible.

10 We thank you for the proposed decision
11 to approve the project, and we look forward to a
12 summer of 2003 online date.

13 HEARING OFFICER GEFTER: Is Mr. Morris
14 available at this point to talk about the North
15 Baja Pipeline?

16 MR. CARROLL: Yes, he is.

17 PRESIDING MEMBER LAURIE: You know, I
18 want us to have a degree of caution here, because
19 Mr. Morse is not here as a witness. He's not
20 being sworn. He will not be cross-examined.

21 The Committee may or may not have a
22 question or two. We will not provide an
23 opportunity for comments by any other party.

24 Sir.

25 MR. MORSE: Thank you.

1 PRESIDING MEMBER LAURIE: And the same
2 will be true of Mr. Weatherwax.

3 MR. MORSE: Thank you. I have a handout
4 for --

5 HEARING OFFICER GEFTER: Excuse me,
6 first identify yourself for the record.

7 MR. MORSE: My name is Henry Morse. I'm
8 the Director of Project Development for PG&E Gas
9 Transmission Northwest, and I'm also the Project
10 Manager for the United States' portion of the
11 North Baja Pipeline.

12 I have a handout that provides a status
13 report, as requested by the Commission's hearing
14 order that I'd be happy to circulate.

15 Let me start by quickly describing the
16 North Baja Project. It is a project that will
17 connect with the El Paso Natural Gas System in
18 Ehrenberg, Arizona, and transport gas to Mexicali
19 and Tijuana, Mexico. With the potential to serve
20 southern San Diego County via an existing pipeline
21 that runs between San Diego and Tijuana.

22 The initial capacity of the pipeline is
23 500 million cubic feet a day. The pipeline will
24 be a combination of 36 and 30 inch pipe, with one
25 compressor station to be located at Ehrenberg.

1 The United States portion of the
2 pipeline is being licensed, constructed and will
3 be operated by North Baja Pipeline, LLC, which is
4 a subsidiary of the PG&E National Energy Group.
5 The Mexico portion of the pipeline will be
6 licensed, constructed and operated by Gasoducto
7 Bajanorte, which is a subsidiary of Semptra
8 International.

9 The schedule in the United States, we
10 are currently on target with the Federal Energy
11 Regulatory Commission to obtain a preliminary
12 determination on the project, which is, in
13 essence, approval of the project subject to
14 completion of environmental review.

15 We are anticipating that preliminary
16 determination in the May to June timeframe of this
17 year. The current schedule that exists for
18 processing the environmental EIS and EIR document
19 shows a final decision likely to be received from
20 the Federal Energy Regulatory Commission in
21 November of this year.

22 Based on that schedule of receiving
23 permission in the U.S., we intend to start
24 construction of the pipeline either in December or
25 January, December of this year or January of 2002,

1 and anticipate that the pipeline will be complete
2 in the June to July timeframe of 2002, and that
3 the compressor station will be complete about
4 September of 2002.

5 In Mexico all the relevant regulatory
6 requirements have been met, and approvals
7 received. I have received a request to provide a
8 copy of the order from the CRE, which is the
9 Mexico equivalent of the FERC, which I will
10 provide to the Commission and to all parties.

11 That document is in Spanish. We do have
12 an English translation of the relevant portions
13 that we provided to the Federal Energy Regulatory
14 Commission in response to a data request they made
15 to us earlier.

16 PRESIDING MEMBER LAURIE: Mr. Morse,
17 regarding timing, if the environmental
18 documentation is completed, you said, maybe
19 November or so, was that right?

20 MR. MORSE: Yes.

21 PRESIDING MEMBER LAURIE: FERC holds a
22 public hearing.

23 MR. MORSE: This is going through an
24 EIR/EIS process. The public hearing is held
25 during the period that the draft EIS is out for

1 comment. That will be between June and August, so
2 the public hearing will be in that time.

3 PRESIDING MEMBER LAURIE: I see, so
4 you're talking about the final document?

5 MR. MORSE: The final document, current
6 schedule is the final document will be out in
7 early November, allowing for a final Commission
8 decision in mid to late November.

9 PRESIDING MEMBER LAURIE: And is there a
10 public hearing on the final Commission decision,
11 or is it deemed administrative at that point?

12 MR. MORSE: It's administrative at that
13 point.

14 PRESIDING MEMBER LAURIE: Thank you.

15 MR. MORSE: In Mexico, as I said, all
16 required regulatory approvals have been received
17 by our partner. They are in the process of
18 acquiring right-of-way, and they have to date
19 acquired about 70 percent of the necessary right-
20 of-way. And their schedule is to start
21 construction in September of this year, and
22 complete that construction of the pipeline in the
23 June/July timeframe of 2002, to be completed at
24 the time we expect the U.S. portion of the
25 pipeline to be completed.

1 The Commission's hearing order asked for
2 information on customer commitments to the
3 pipeline. At this point in time CEG Energy
4 Options, which is a subsidiary of the PG&E
5 National Energy Group, has acquired 48,000
6 decatherms a day on behalf of the Otay Mesa Power
7 Project. Intergen, a developer of a large plant
8 in the Mexicali area, has acquired 172,000
9 decatherms a day of transportation.

10 TDM, another developer of a power plant
11 in the Mexicali area, has acquired 105 decatherms
12 a day. DGN, which is the local LDC in the
13 Mexicali area, has acquired 16,000 decatherms a
14 day in the first year, stepping up over a number
15 of years to 24,500 decatherms a day.

16 And probably most importantly, CFE and a
17 company Gasoducto Rosarito, which is a subsidiary
18 of Sempra that provides gas service currently to
19 the CFE Rosarito plant, those two entities
20 combined have acquired 130,000 decatherms a day in
21 the 2002/2003 timeframe, stepping up to 170,000 in
22 2004 and 2005, and then up to 210,000 in 2006 and
23 beyond for the remainder of their 20-year
24 contract.

25 Those volumes, in particular, are gas

1 that absent the North Baja Pipeline, would be
2 served through the Southern California Gas
3 Company, SDG&E system. As soon as this pipeline
4 goes on, they will stop taking gas off of the
5 SDG&E system, and instead take it via the North
6 Baja Pipeline.

7 So those volumes represent quantities
8 that are creating curtailment pressure in the San
9 Diego area currently that will be eliminated as
10 soon as the North Baja Pipeline is completed.

11 PRESIDING MEMBER LAURIE: Regarding the
12 Intergen commitment, is that for the proposed, I
13 think it's 750 megawatt plant outside of Mexicali,
14 or is that for -- so is that projected use, or is
15 that current use?

16 MR. MORSE: That is projected use for
17 the plant outside of Mexicali.

18 PRESIDING MEMBER LAURIE: Okay, and --

19 MR. MORSE: And that project is
20 completely permitted and broke ground about two
21 weeks ago.

22 PRESIDING MEMBER LAURIE: Very good,
23 thank you.

24 MR. TOMASHEFSKY: One point of
25 clarification, just getting back to Rosarito, --

1 just to rephrase what you just said a minute or
2 two ago, the 130, the 170 and the 210 represents
3 100 percent of their gas requirements at the
4 facility?

5 MR. MORSE: My understanding is the 210
6 represents 100 percent of the gas requirements at
7 the facility once the existing, or once the power
8 plant currently under construction that is due to
9 go on line this summer is completed.

10 I believe they have another unit that
11 they are anticipating construction at the Rosarito
12 site between this summer and 2006.

13 I believe 170,000 probably represents
14 100 percent of the gas requirement as of the end
15 of this summer.

16 MR. TOMASHEFSKY: Okay, thank you.

17 MR. MORSE: It's important to remember
18 that the Rosarito plant does have some potential
19 for burning oil, as well.

20 MR. TOMASHEFSKY: Okay, thanks.

21 (Pause.)

22 HEARING OFFICER GEFTER: Mr. Morse, are
23 you finished with your presentation?

24 MR. MORSE: I am complete. Do you have
25 any further questions?

1 PRESIDING MEMBER LAURIE: No, thank you,
2 sir.

3 MR. MORSE: Very well.

4 HEARING OFFICER GEFTER: Ms. Segner, or
5 Mr. Carroll, do you have any other comments on
6 behalf of the applicant?

7 MR. CARROLL: The only other thing that
8 we would offer at this time is if the Committee is
9 interested in hearing a report on the status of
10 the line 6900 upgrade. We're prepared to provide
11 a brief update on that, as well.

12 PRESIDING MEMBER LAURIE: Not at this
13 time, Mr. Carroll, thank you very much.

14 MR. CARROLL: Very well. We have
15 nothing further then.

16 HEARING OFFICER GEFTER: And the
17 Committee has received the applicant's comments on
18 the PMPD. We will take them under submission,
19 thank you.

20 MR. CARROLL: Thank you.

21 HEARING OFFICER GEFTER: Now we'd hear
22 from staff.

23 PRESIDING MEMBER LAURIE: Before we ask
24 for staff's comments, there are additional
25 officials here. We would prefer to provide for

1 your comments after the parties have made their
2 presentations.

3 If any of you have to leave before
4 another hour or so, please let Ms. Mendonca know
5 and we'll try to accommodate you. Thank you.

6 HEARING OFFICER GEFTER: Thank you.

7 MS. ALLEN: The Energy Commission Staff
8 has reviewed the PMPD. On an overall basis we
9 think the PMPD is a good document. It accurately
10 reflects staff's major conclusions and proposed
11 conditions of certification.

12 Our specific comments consist of
13 clarifications and relatively minor suggested
14 revisions that we filed on April 4th.

15 Staff finds the applicant's proposed
16 revisions to findings and conditions to be
17 acceptable.

18 In addition to the written comments that
19 we filed on April 4th, staff's witness Bill Wood
20 gave me a minor clarification yesterday. And we
21 are willing to put this in writing, if necessary.

22 This clarification relates to the third
23 paragraph on page 83. That sentence says:
24 SDG&E's gas curtailment rules are set forth in
25 SDG&E's rule 14." And it currently reads, "which

1 was established by the CPUC." Mr. Woods'
2 correction was: SDG&E's rule 14, which wads
3 approved by the CPUC." His clarification is that
4 rule 14 is an SDG&E rule, the CPUC merely approved
5 it.

6 So we will put this in writing
7 subsequent to this hearing.

8 Staff counsel may have some remarks in
9 addition to what I've said.

10 MR. OGATA: At this point I just wanted
11 to point out that obviously there are very
12 intelligent and competent people in this
13 proceeding, as for their comments, and we believe
14 that, however, they don't really add too much to
15 the discussion that's already taken place
16 throughout the proceeding. So, we don't have
17 really any response at this time to any of these
18 comments.

19 We did want to second Commissioner
20 Laurie's point earlier about the testimony or the
21 comments of Mr. Weatherwax, that indeed these are
22 comments. None of us has had an opportunity to
23 really cross-examine or even take a look at the
24 report that Mr. Weatherwax will be presenting
25 today.

1 So to the extent that they are public
2 comments, equivalent to the weight of public
3 comments, obviously we have no objection to that.

4 We believe that in some respect they are
5 equivalent to attorney's argument, which some
6 people would believe has less weight than public
7 comment. But we'll leave that to the Committee to
8 decide in terms of the weight. But we do want to
9 point that out for the record that that is our
10 understanding of what those comments will be about
11 today.

12 PRESIDING MEMBER LAURIE: Thank you, Mr.
13 Ogata.

14 I'm inclined to include an additional
15 section in the PMPD entitled, Intelligent and
16 Competent Personages, and list those. If you
17 don't find -- not you, but if one doesn't find
18 their name, we make mistakes. So, don't feel
19 embarrassed by that.

20 (Laughter.)

21 HEARING OFFICER GEFTER: And we do have
22 staff's comments and we'll take them under
23 advisement, as well, including the additional
24 comment by Mr. Wood that you refer to.

25 And you will put that in writing and

1 docket it and serve it on the parties.

2 At this point we will hear from Cabrillo
3 Power, Mr. Varanini. And we will look at the
4 clock as we go.

5 MR. VARANINI: I would want nothing
6 less.

7 It seems to me procedurally that what we
8 are trying to do is to enrich the record and
9 provide information which may or may not be a
10 significant environmental point to the Presiding
11 Member's Report -- Proposed Decision.

12 We have provided 14 pages of that
13 material, and it is, under CEQA it's our
14 understanding that it is the nature of the
15 material, not the role of the presenter or the
16 structure, be it evidentiary or comment, of the
17 information which counts.

18 As well, you may rely on comment in
19 reaching a decision so long as that comment has,
20 in the record, the evidentiary record, sufficient
21 information in a sufficient structure that this
22 information coming in now augments.

23 The Committee basically told us to do
24 the best we could in the proceeding to make our
25 points, and to do the best we could by comment in

1 terms of enriching those points with information.
2 And that's what we've done.

3 And I think that if this proceeding is
4 maneuvered essentially into some kind of a
5 thought-control process, we are all in really
6 terrible shape.

7 We have gone out of our way to provide
8 information to the government, and the information
9 is relevant, and the information's important. If
10 it's suppressed procedurally I think that the
11 Commission should be ashamed of itself.

12 We have done several things in our
13 analysis. Our analyst was the first analyst to
14 produce the Energy Commission's noteworthy
15 forecasting process. He also forecasted the
16 failure in the space program, and actually
17 forecasted exact failure in the launch program and
18 the launch processes. He also was the forecaster
19 who provided the information on the absurdity of
20 our nuclear future in 1976.

21 We have employed him to enrich the
22 record. And I think that his comments that he'll
23 amplify in just a moment, are very important.

24 First, if, in fact, this project comes
25 on line as designed, we will run more, not less,

1 and we will be needed for reliability, not simply
2 allowed to participate in the market.

3 So the notion that we've been demonized
4 by coming forward to move the deployment date of
5 this project back one summer is absurd. If we
6 were as announced we would be leading the charge
7 to put the plant on line because our operations
8 would be not only confirmed, they would be
9 necessitated. So, I think that's something to
10 keep in mind when we make our points.

11 Our concern is that in a policy panic
12 the government is moving to deploy machines that
13 in some cases actually enhance the brittleness of
14 the system and actually expose the public not
15 simply to more pollution, and health effects, but
16 to absolute liability meltdown. And systems
17 crash.

18 We think that this project should go
19 forward. It's not our business whether or not it
20 should go forward, but we believe it should go
21 forward. And we think what should happen is the
22 Commission should warn, in its decision, the other
23 agencies of government and the public that if
24 certain additional actions are not taken, that
25 this particular program, as designed, may cause

1 significant problems in San Diego rather than
2 assist in a solution all of us want, more energy
3 at more competitive prices.

4 That's our story and we're sticking to
5 it.

6 Now, in essence, we go into a series of
7 details and I think it would be better if Mr.
8 Weatherwax made those points. But I can tell you
9 from my understanding, the Commission's duty and
10 its history of truth-telling that we're here to
11 present you with a conundrum and it's not a
12 pleasant one, but it's one that you've grappled
13 with before, you're grappling with now in other
14 proceedings.

15 Our infrastructure in this state is
16 shot. And if we don't get it improved in a
17 coordinated fashion, we'll have four or five years
18 of governance by emergency decree and suspension
19 of statutory processes. That's our fundamental
20 concern. We bear the burden of increasing
21 pollution with the machines that we have in place.
22 We don't want to do that. We want to avoid that
23 at all possible costs.

24 The reason why we haven't raced, as was
25 characterized by PG&E, into facilitating upgrades

1 of our plant is we've been asked time and time
2 again not to do that. Because the plants are
3 needed to run now.

4 So we're caught in a further conundrum,
5 and that is if we take the plants down to put on
6 better control equipment, the plants go down,
7 resources in the load center go down, and you have
8 additional blackouts and brownouts.

9 So, on the one hand we're castigated for
10 not being better environmentally. On the other
11 we're told by ISO run or go to jail.

12 It's just that simple. And it seems to
13 me that this is a point, really, for the
14 Commission to go to the Governor, to go to the
15 Legislature, and lay out the concerns. If the
16 Commission's role is simply to approve AFCs, then
17 it seems to me, go ahead and approve it. We agree
18 with that. We don't want to stop it or inhibit
19 that.

20 But it seems to us that you should lay
21 out the context of that so there isn't a ten-year
22 period of woe and concern as to what actually
23 happens on the ground.

24 Also, just as a matter of personal
25 privilege, for our company to be demonized by

1 Pacific Gas and Electric Company as some form of
2 raider, seems to me to be quite an interesting
3 point, given the fact that they're going to sell
4 the plant and be out of here, themselves.

5 So, in that sense, if one can take a
6 personal shot, one company, the other company
7 ought to be able to take a shot back.

8 PRESIDING MEMBER LAURIE: And you just
9 have, Mr. Varanini.

10 MR. VARANINI: Thank you. And I'd like
11 to have Mr. Weatherwax --

12 MS. SEGNER: Especially since we own --
13 half the output of the facility.

14 MR. VARANINI: Fine.

15 PRESIDING MEMBER LAURIE: Okay, Mr.
16 Weatherwax, come on up. I'm going to have a 30-
17 second consultation with my Hearing Adviser before
18 you speak.

19 (Pause.)

20 PRESIDING MEMBER LAURIE: Mr.
21 Weatherwax, good morning, sir. It is noted that
22 through your legal counsel a report has been filed
23 as a response to the PMPD. And the Committee will
24 treat that document appropriately.

25 Given the fact that the report has been

1 submitted, I'm going to provide you an opportunity
2 to very briefly summarize that report. This is
3 not a dog-and-pony show here today, so we have
4 your comments on the record.

5 So, for purposes of public knowledge,
6 feel free to take a few minutes to summarize that
7 information that we already have knowledge of.

8 DR. WEATHERWAX: Thank you,
9 Commissioner. I don't have any dogs or ponies
10 with me, so this --

11 PRESIDING MEMBER LAURIE: And that --

12 DR. WEATHERWAX: -- will be
13 fortuitous --

14 PRESIDING MEMBER LAURIE: -- is not a
15 personal accusation. The point is that your
16 comments have been submitted; we have it; we've
17 read it. Therefore your discussions with us are
18 simply repetitive.

19 If for purposes of any public that may
20 be present, you want to take a couple minutes to
21 summarized, please feel free to do so.

22 DR. WEATHERWAX: Okay.

23 PRESIDING MEMBER LAURIE: And we
24 certainly have a great respect for your experience
25 and your knowledge of your past efforts, as

1 Mr. Varanini so broadly noted. Thank you.

2 DR. WEATHERWAX: Thank you for your
3 indulgence. Good morning.

4 I'm going to list what we consider to be
5 the four most significant findings in a little bit
6 different form just to let people hear it
7 differently.

8 We found that the Encina, and especially
9 the South Bay Power Plants operate at higher
10 coordinated levels of generation in the present of
11 Otay Mesa Generating Plant, in order to preserve
12 electric system reliability in San Diego.

13 Because Otay Mesa, as proposed, will
14 share the same gas supply from SDG&E as the other
15 two plants, but does not have any back-up fuel,
16 it's presence will force South Bay and Encina to
17 much higher levels of operation dictating
18 increased burning of fuel oil.

19 And this fuel oil burning will occur
20 predominately in the winter and in the summer
21 months.

22 The increases in oil burn occasioned by
23 the operation of Otay Mesa will substantially
24 increase the levels of emissions from the electric
25 generators in San Diego for O3, for precursors of

1 that, for PM10, for its precursors, and especially
2 for oxides of sulfur.

3 Even were Otay Mesa to have fully
4 independent gas supply, our analysis shows that
5 the increase in operation dictated for the
6 existing power plants would still exceed the
7 amount of supply credibly proposed for the region,
8 and thus there would be an increase in oil burning
9 in the region, even were North Baja Pipeline to be
10 fully implemented, and to supply all the needs of
11 Otay Mesa.

12 Now, I'd like to talk just a minute as
13 to what the source of this is. Because it seems
14 so counterintuitive, I think, to most people. And
15 that has to do with the place of interconnection
16 of Otay Mesa and the reluctance of the applicant
17 to upgrade any further than the Miguel substation.

18 As you may be aware, the Miguel
19 substation is where all the requirements for
20 interconnection terminate. And option I, which is
21 the interconnection option that the applicant has
22 chosen, this has two very interesting effects.

23 One is it decreases the amount of
24 imports that can be received concomitantly with
25 the operation of the unit. In fact, there is, at

1 the highest level of operation of Otay, an
2 additional 300 or so megawatts which are backed
3 out of the system by its very presence.

4 Secondly, because there are not upgrades
5 west and north of Miguel, as described by San
6 Diego, there are additional reliability
7 requirements which necessitate that both South Bay
8 and Encina push power back at Otay Mesa, so in
9 case of several different contingencies there will
10 not be a destructive cascading of outages and the
11 failure to be able to serve load for some
12 substantial amount of time.

13 This has resulted in some substantial
14 overall impacts on the system, and first we deal
15 with the canard about operations of the other
16 existing former utility electric generators.

17 We found that in the presence of Otay
18 Mesa in the year 2003, Encina Power Plant
19 operations actually increase a bit over 10
20 percent. And South Bay operations increase
21 actually just about double.

22 Consequently, it would be within their
23 economic self interest to applaud and invite Otay
24 Mesa on board.

25 The level of operation dictated by these

1 units results in very substantial oil burns. In
2 the minimum case it's nearly 500,000 barrels of
3 oil increase. In the maximum burn case, which is
4 the minimum gas supply case, you would have over 3
5 million barrels of oil burned.

6 These are very large numbers that would
7 occur. The largest amounts, of course, as I
8 mentioned before in testimony, would be in the
9 winter, centered around January, February. The
10 second largest amounts would be in the summer
11 centered around August, which is reflective of the
12 weather in this area.

13 The even were -- as we talk again, even
14 were Otay to be served completely from an
15 independent source of natural gas, we see
16 increases of oil burn ranging from about 22,000
17 barrels to about 700,000 barrels depending on the
18 gas scenario you pose for San Diego.

19 The increases that result from these are
20 very substantial inasfar as emissions within the
21 San Diego area, and would be of substantial
22 concern, both to the neighbors in Carlsbad, those
23 down in the southern part of San Diego, near the
24 South Bay Plant, and for the region, as a whole.

25 We see increases in NOx emissions that

1 range from almost 400 tons to about 800 tons based
2 on these analyses. We see SOx increasing from
3 somewhere between 75 to about 3270 tons of sulfur.

4 We see PM10 going up from about 150 to
5 almost 1000. The same is -- relevantly the same
6 is true for CO, as well as for volatile organic
7 compounds.

8 All of these are clearly substantial
9 under anyone's measurement of what is
10 environmentally significant.

11 And caused by the presence of Otay Mesa
12 and by the manner in which it is electrically
13 interconnected into the San Diego system.

14 And that concludes my comments.

15 PRESIDING MEMBER LAURIE: Thank you,
16 sir, very much.

17 HEARING OFFICER GEFTER: Mr. Varanini, I
18 think you have five more minutes.

19 MR. VARANINI: Thank you very much,
20 we're finished.

21 PRESIDING MEMBER LAURIE: Thank you,
22 sir.

23 HEARING OFFICER GEFTER: Thank you. And
24 we'll take your comments under submission.

25 We had a request from the media that the

1 audio is poor. If Ms. Luckhardt, on behalf of
2 Duke, if you could bring the mikes really close to
3 your -- or go stand at the podium, that would be
4 very helpful.

5 (Pause.)

6 HEARING OFFICER GEFTER: Ms. Luckhardt
7 on behalf of Duke Energy.

8 MS. LUCKHARDT: We have filed written
9 comments which I'm happy to say that I'm pleased
10 that I know you will read and take into account.
11 And so I'm not going to repeat those here today.

12 I would just like to make one
13 clarification on staff's comments on the
14 introduction, that Duke Energy North America does
15 not own the South Bay Power Plant. It operate the
16 South Bay Power Plant.

17 We're in difficult times. We have an
18 energy crisis and we need new generation. And we
19 understand that.

20 Duke Energy North America is working
21 very hard to add additional generation to
22 California just as PG&E National Energy Group is
23 trying to do at Otay Mesa.

24 The conundrum that I am placed in, or
25 that the South Bay Power Plant is put in, is that

1 as this competitor comes on line and they
2 constantly claim that we're just here as a
3 competitor, and that's the only reason we're here,
4 and we want to block their power plant, the
5 problem is they're not coming on line with dual
6 fuel capability. But we have it. Encina has it.

7 I've heard today Rosarito has it.

8 The plants that have dual fuel
9 capability will be forced to run on fuel oil.
10 According to my initial quick review of Dr.
11 Weatherwax's report, we will be running even
12 higher with the addition of Otay Mesa to balance
13 the transmission system.

14 This is not just a situation of DENA
15 being concerned about having another competitor
16 come in and lower prices. We are concerned about
17 being forced to run on fuel oil, being criticized
18 for that in the media. We've been criticized here
19 today for not running, not being fully on line,
20 for not having completed our SCR improvements.

21 We were down with one unit -- or were
22 down earlier, the first quarter of this year, to
23 put SCR on the third of four units. The fourth
24 unit is scheduled for the fourth quarter of this
25 year.

1 It ISO will not let us go down before
2 then, so that we can keep all the units up through
3 the peak of the summer.

4 But as we move forward and move through
5 these energy situations, we will be forced more
6 and more to burn on fuel oil. And we believe that
7 we will be criticized for that publicly. That we
8 will be forced to purchase very expensive offsets.
9 Yes, they can be purchased. And we'll be put in a
10 position that is very uncomfortable for a company.

11 Therefore, we ask that you take that
12 into account in making your decisions today.

13 We also would like to note that we have
14 publicly and officially supported the FERC
15 application for the North Baja Pipeline; that DENA
16 has filed in support of that application. So
17 we're not simply here against all other projects
18 or anything else that may happen in the San Diego
19 area. But we truly are here out of a concern for
20 how this will impact the operation of the South
21 Bay Power Plant.

22 I realize that most of you have heard
23 all of this before, so I'm not going to repeat
24 comments that we've made over and over again. I
25 would just like to stress the importance of the

1 work that Dr. Weatherwax has done. The prediction
2 that Mr. Varanini referred to is the O-ring
3 failure of the Challenger, which I know we all
4 remember.

5 Thank you.

6 PRESIDING MEMBER LAURIE: Thank you, Ms.
7 Luckhardt.

8 HEARING OFFICER GEFTER: And we do have
9 your comments, and we will take them under
10 advisement, thank you.

11 Ms. Claycomb, it's your turn. If you
12 would please go to the podium so we could hear
13 you. Thank you.

14 And, also, Mr. Claycomb, we do have your
15 comments, as well, in writing.

16 PRESIDING MEMBER LAURIE: Before you
17 speak, sir, let me publicly acknowledge and thank
18 the participation of the intervenors for your
19 professional and intelligent and competent
20 participation in this proceedings. And your names
21 will be included on the list.

22 We very much appreciate the time that
23 you have spent in participating in this case.

24 MR. CLAYCOMB: Thank you. My name is
25 William E. Claycomb. I'm speaking on behalf of

1 Save Our Bay, Inc. And occasionally, after
2 reading the proposed decision, we wonder if
3 anybody's even read the stuff we submitted.

4 We have six exceptions to six findings
5 in that decision. And I just quickly want to
6 mentioned them.

7 We were accused of proposing
8 conservation to solve all our problems. We
9 checked the record and we couldn't even find the
10 word conservation used. Now, we believe in it,
11 but it's always been available --

12 PRESIDING MEMBER LAURIE: Do you have a
13 specific reference in the decision, sir?

14 MR. CLAYCOMB: Yes, it's a finding on
15 page 24:5, technology alternatives, in exhibit 71.
16 You have a copy of this, by the way.

17 PRESIDING MEMBER LAURIE: Yes.

18 MR. CLAYCOMB: So we don't object to
19 conservation, I think it's great. But it hasn't
20 been working, so we're not putting a lot of faith
21 in the fact that it might work in the future.

22 Another finding was that similar
23 technology which we have been proposing would
24 require large land areas. We never said that
25 anywhere, anytime. In fact, we were advocating

1 photovoltaic rooftop collectors of 4 to 7
2 kilowatts, and that could solve the problem.

3 Now, our third exception relates to that
4 photovoltaics are not economically feasible. And
5 because of that statement we have filed a petition
6 to reopen the record.

7 The fourth one, talk about global
8 warming. Global warming concern is worldwide. In
9 fact, the European Union is on the back of the
10 United States because we're not getting with it in
11 approving the Kyoto Treaty.

12 Number five mentions carbon dioxide is a
13 toxic air pollutant. We have never maintained
14 that carbon dioxide was a toxic air pollutant,
15 although I wouldn't want you to try breathing it
16 with nothing else mixed with it.

17 But as far as that, we do maintain that
18 carbon dioxide is an air contaminant as defined in
19 California Health and Safety Code section 4100.
20 And then subsequently it's further defined.

21 And we would like anyone disputing that
22 finding to explain to us where in the statute and
23 regulations it specifies that carbon dioxide
24 should not be considered an air contaminant.

25 Finally, no cumulative public health

1 impacts from project's emissions, and we maintain
2 and we pointed this out several times, that carbon
3 dioxide is the main global warming gas and
4 1,780,040 tons of it to be emitted each year will
5 cause a cumulative impact on world health,
6 property and order.

7 Now, I want to jump back to our petition
8 to reopen the hearing -- to reopen the record.
9 Since the record was closed we have learned of a
10 report done by British Petroleum, a man named
11 Timothy Bruton, and was subsequently evaluated by
12 KPMG, which is one of the international auditing
13 firms.

14 KPMG, in evaluating the Bruton report,
15 found nothing wrong with it. But they
16 supplemented it, and they say that if you will
17 build a 500 megawatt factory to turn out 500
18 megawatts of photovoltaic panels a year, you can
19 get the cost of panels down to under \$2000 a
20 kilowatt. And that's installed on your rooftop.

21 Right now, in San Diego, I don't think
22 you'll find that same thing for sale for less than
23 \$6000 to \$9000 per kilowatt. And if you get those
24 kilowatts for less than the capacity, for less
25 than \$2000, you can get electricity for 7.8 cents

1 a kW/hour. And that is several cents better than
2 the rate just approved for PG&E and Southern
3 California Edison to raise their rates, which is
4 what everybody in northern California is going to
5 be paying, and which everybody in southern
6 California will soon be paying.

7 Now, just this morning we ran across
8 something else. It's a report by California Solar
9 Energy Industries Association. And they are
10 maintaining the same thing. That if a large scale
11 production, they will reduce the cost of panels on
12 your rooftop, except they don't go as far as the
13 Bruton report and the KPMG report for the
14 Netherlands.

15 And finally, they say -- the KPMG report
16 said that if you build that factory to produce 500
17 megawatts of panels with that capacity every year,
18 it would cost \$734 million. That's quite a bit of
19 money.

20 The California Solar Energy Industry
21 Association just about doubles that. They say it
22 would take \$2.5 billion to build a plant up to the
23 capacity of 500 megawatts a year.

24 So I haven't talked to anybody yet who's
25 even heard of the Bruton report. And I hope --

1 well, I don't hope that, either. Because if the
2 Commissioners have not become aware of this, or
3 been made aware of it, it shows a certain degree
4 of negligence. Because this has been in the
5 record since July of 1997 when it was first
6 presented to the 14th European Photovoltaic
7 Conference in Madrid.

8 And then the follow-up report by KPMG
9 was done in July of 1999. So this is public
10 knowledge if anybody bothered to find it.

11 And the reason we want to reopen the
12 record is we want to find out why this information
13 has not been made public. Because eventually
14 we're going to go to this solution and we're going
15 to spend a lot of time, waste a lot of time and
16 money building power plants up to our ears, that
17 won't last over -- that won't be needed after ten
18 years, if we start getting these big factories
19 online.

20 And there's no emissions come out of
21 these panels. They're nice and clean. And I
22 don't know why nobody can look at the sun and see
23 it as the ultimate source of energy. Because it
24 really is.

25 PRESIDING MEMBER LAURIE: Thank you,

1 sir.

2 HEARING OFFICER GEFTER: Thank you very
3 much. Mr. Claycomb, we will take both your
4 comments and also your motion to reopen the record
5 under advisement. And we will indicate our ruling
6 on that in the next document that comes out.

7 Ms. Duncan, would you mind going to the
8 podium so the press can hear you?

9 MS. DUNCAN: I apologize, I'm having
10 trouble with my throat this morning. My allergies
11 are going nuts. It must be the PM in the air,
12 that's the only thing I can think of.

13 My name is Holly Duncan. I am a
14 concerned member of the public. I'm a mother of
15 an asthmatic, and I got talked into intervening on
16 this proceeding on the basis of air quality.

17 I continue to be concerned about air
18 quality. Thirty years ago in our country a lot of
19 us, since we breathe air, were worried about air
20 quality and we passed a law called the Clean Air
21 Act.

22 Those of us who drink water also passed
23 the Clean Water Act. And those of us who
24 understand about what we teach our children about
25 the web of life also endorse the Endangered

1 Species Act.

2 California, understanding, and as I'm a
3 native, I speak proudly this way, thought we had
4 something really beautiful here in this state. So
5 we came up with CEQA, which had even tougher
6 standards, because we wanted our beautiful state
7 protected.

8 I think those are good things that we've
9 done. In light of that, at that time, there were
10 big struggles going on in our state 30 years ago.
11 The same kinds of struggles that we are looking at
12 today.

13 Energy companies that thought these laws
14 were a real pain, and they wanted to get rid of
15 them. And they wanted to build lots of dirty
16 plants. And they wanted to destroy our state.
17 They wanted to make it harder for us to find clean
18 water. They still want that today, and to a
19 certain extent my understanding is they're
20 succeeding very well.

21 It's my understanding in this emergency
22 that the Governor has suspended CEQA requirements
23 when it comes to siting power plants. Our
24 national government wants to do the same. They
25 are now lobbying in Washington to life the Clean

1 Air Act restraints so we can get more power on
2 line.

3 The Energy Commission was formed 30
4 years ago. I found this wonderful book. It's
5 called "Energy and the Making of Modern
6 California". It's by James C. Williams. It just
7 came out in '97. In reading this book I
8 understand why this man had to go all the way to
9 Ohio to get it published.

10 It says that when this Energy
11 Commission, the California Energy Commission, was
12 formed they were issued a challenge. That
13 challenge that still stands today was to get us
14 off of fossil fuels. Because we understood
15 they're dirty and they're not good for us. We
16 understand industrial pollution if not good for
17 us. We have understood this for many many years.

18 I wrote a hard-hitting conclusion to the
19 PMPD because it was, for me, an extremely
20 disappointing document. For us to continue to
21 believe that the only way we can solve our energy
22 problems is through building fossil fuel based
23 centralized power plants is a sham. Especially
24 when we understand in the political environment we
25 find ourselves in, our wind energy producers are

1 not even on line right now because they haven't
2 been paid.

3 I find that politically interesting.
4 That what we could do to have clean air, we've
5 heard a lot of talk about what's going to happen
6 at South Bay and what's going to happen at
7 Cabrillo's facility. I attended the local Air
8 Pollution Control District's hearing board
9 hearings for Cabrillo last week.

10 I say to this organization that your
11 analysis on air quality, particularly surrounding
12 particulate matter, is indeed deficient. And the
13 mitigation package is anything but an acceptable
14 mitigation package for particulate matter.

15 I said to that hearing board, and I say
16 it to you, particulate matter kills. It kills
17 senior citizens, and it kills infants. And it
18 causes people like my daughter extreme distress.
19 Two years in a row now she has struggled with the
20 excess pollution from AES' plant in Long Beach,
21 which had a record fine set against it because of
22 its egregious, egregious violation of air
23 pollution standards in the Bay Area up there.

24 She's a student at UC Irvine. I really
25 thought she was going to leave me this year. She

1 tried to die two years in a row on me. What's new
2 in her environment? What's different in her
3 environment? Egregious violations of air
4 pollution control standards. So that we can surf
5 the net with our computers.

6 I protest the PMPD. I support Mr.
7 Claycomb's motion to reopen the record. Your
8 analysis on air quality is deficient. The
9 mitigation package for particulate matter for this
10 facility is deficient.

11 You have already, by not keeping your
12 task that was set before you, to find ways to
13 produce energy without using fossil fuels that was
14 presented to you as an organization 30 years ago
15 when you were formed, you're already part of a
16 monumental failure.

17 But the real losers in all of this are
18 people like me and my daughter, the people who pay
19 the taxes to pay your salaries to you are the real
20 losers in this.

21 Thank you for letting me be a part of
22 this. I have learned so much. But I'm not happy
23 about what I have learned. I will live with
24 whatever decision you make. That doesn't mean I
25 have to like it. And that doesn't mean I don't

1 have the right to speak out against it.

2 Both Mr. Claycomb and I have made strong
3 cases for solving San Diego's energy woes through
4 distributed generation and clean technologies that
5 did not involve fossil fuels. We're doing what
6 you are supposed to be doing.

7 I have to say I don't think I was really
8 listened to, either.

9 In conclusion, this Wednesday The
10 Sacramento Bee had an article in it saying that
11 this Energy Commission's lawyers have determined,
12 as I have been saying all along in the proceeding
13 on this case, that there are no requirements, and
14 you cannot make any requirement for any of the
15 power coming out of this facility available to
16 California, let alone to San Diego.

17 I want to dispel that myth right now.
18 So what we get is we get degraded air quality and
19 we get a 15-acre new brownfield in San Diego
20 County of this. Whether we get anything else,
21 power at a fair rate, whether or not we get the
22 power at all, certainly is open to question.

23 I am deeply disappointed that you failed
24 to give any time or attention to Mr. Claycomb's
25 and my request that this project be reconfigured

1 into a clean distributed generation project to
2 solve San Diego's alleged, alleged power supply
3 inadequacy.

4 I also have given a copy of this
5 newspaper article to Roberta Mendonca and asked
6 her that it be filed as part of this case. And I
7 would like it to be part of the permanent record
8 on this proceeding, that what we know for sure
9 we're going to get is degraded air quality and a
10 new 15-acre brownfield. No promises of power at 2
11 to 3 cents that we need to keep our economy going.
12 And no promises that we get any of the power at
13 all, locally, or even in California.

14 Thank you.

15 PRESIDING MEMBER LAURIE: Thank you.

16 HEARING OFFICER GEFTER: Thank you, Ms.
17 Duncan. We do have your filings, and we listened
18 very carefully to your comments just now. Thank
19 you very much. We appreciate your participation.

20 We also want to hear from members of the
21 public. And we also have some public officials.
22 I understand that Ms. Calderon from the Mexican/
23 American Business and Professional Association is
24 here. If you could come forward, please.

25 MR. CARROLL: Ms. Gefter, if we may,

1 while Ms. Calderon is coming forward, on behalf of
2 the applicant, before we move to the public
3 comments, express also our appreciation for the
4 participation of the intervenors in this matter.

5 We think that through their efforts and
6 through their passion, the issues that they've
7 raised in their comments today were rigorously and
8 exhaustively analyzed during the course of these
9 proceedings.

10 And we think that the record and the
11 proposed decision are better for it. And we
12 appreciate their participation throughout these
13 proceedings.

14 HEARING OFFICER GEFTER: Thank you, Mr.
15 Carroll.

16 Ms. Calderon, please introduce yourself
17 for the record.

18 MS. CALDERON: I'm Josie Calderon. I'm
19 here as a representative of the Mexican/American
20 Business and Professional Association. I'm the
21 group's President. I'm also here as the
22 Chairperson for Mayor Murphy's Latino Advisory
23 Committee, and Chairperson of the Latino Political
24 Coalition. Both those groups represent
25 approximately 35 Latino organizations.

1 I'm sorry I don't have a prepared
2 statement. I only learned about the meeting
3 about, you know, 9:30 or so. But I did feel that
4 I needed to make a statement because of all the
5 emails that I got from the various organizations,
6 including, you know, a call from the Mayor's
7 Office.

8 We are in support of additional
9 generation. In fact, I really want to address the
10 South Bay, because of all these organizations,
11 approximately two-thirds are from the South Bay
12 Area. We're a self-help community; we're a
13 progressive community. We're a community that
14 cares and partners in meeting the needs of the
15 South Bay.

16 And it's for that reason that we have
17 been following the energy crisis. We were very
18 much in support of the Otay Mesa Power Project.
19 We felt that that was, you know, that that energy
20 was needed.

21 We were also very much in support of
22 Duke Energy's proposal to, in the future, upgrade
23 their unit.

24 And to some extent we were also in
25 support of the peaker project in the Montgomery

1 area. While there were some environmental issues,
2 you know, we felt that that was -- to support that
3 was the right thing to do.

4 What's alarming now, and why I'm here,
5 is that since that position, things are moving
6 very quickly to a point that's alarming to us.
7 We're now aware of two additional facilities being
8 looked at, with the announcement two days ago that
9 the Governor plans to put in an accelerate 90
10 megawatt power facility. And we've also learned
11 of an additional peaker project in the Montgomery
12 area.

13 That would be placing five generation
14 facilities within a five-mile radius. That's a
15 concern.

16 And I ask you to not move in haste. To
17 take your time. We're certainly going to be
18 following this. We're very concerned. We're
19 going to be calling for some kind of symposium on
20 this that we will invite you to.

21 Don't do this to our community. We were
22 first to address the energy crisis and support a
23 power plant. Don't start dumping all the other
24 power plants. Look at north of 805.

25 Thank you.

1 PRESIDING MEMBER LAURIE: Thank you, Ms.
2 Calderon. I would just note that even in our
3 peaking plant process, which is in fact an
4 expedited process, there is a public hearing
5 process that is followed.

6 I would strongly encourage you to stay
7 in touch with Ms. Mendonca's office, so you can
8 get adequate notice in a timely manner of these
9 hearings.

10 Because from most of our peaker plant
11 projects, providing notice to the community is a
12 challenge. And so my suggestion would be to
13 specifically note to Ms. Mendonca a request for
14 special notice for any power plant within your
15 area of interest.

16 MS. CALDERON: Okay, I appreciate that,
17 thank you.

18 PRESIDING MEMBER LAURIE: Mr. Fiori.
19 Good morning, sir.

20 MR. FIORI: Good morning. My name is
21 Tony Fiori and I represent the San Diego Regional
22 Chamber of Commerce.

23 I will be brief and to the point. We
24 are a local business association here in San Diego
25 that represents over 3300 businesses, and roughly

1 400,000 employees throughout the region.

2 I don't have to stand here today and
3 tell you about the energy crisis that's sweeping
4 through our state. We believe that there is an
5 energy crisis, and that some action needs to be
6 taken.

7 Three weeks ago, as Supervisor Horn
8 mentioned, when there was rolling blackouts here
9 in the County, millions of dollars were lost in
10 revenues for some of our member companies.

11 Last week I did have the time to spend
12 in Washington, D.C. with some of our business
13 leaders to discuss how this energy crisis here is
14 hurting our County. Most of the members of
15 Congress and other Representatives that we met
16 with asked what can we do to help, or what are you
17 doing to help. One of our answers was we need to
18 build more power plants.

19 The Otay Mesa Generating Plant is one
20 piece of the solution. The Chamber of Commerce
21 here in San Diego has been a key supporter of this
22 power plant even before we experienced this energy
23 crisis last summer.

24 We realize that in order for the state's
25 economy to continue growing there must be a strong

1 and reliable source of power. To that end we
2 encourage you this morning to fully support the
3 project and to continue to be proactive in your
4 efforts to increase generation throughout the
5 state.

6 You have our formal support. We look
7 forward to working with you, and we encourage the
8 adoption. Thank you so much.

9 PRESIDING MEMBER LAURIE: Thank you,
10 sir. I would just note that I believe your
11 language was the comments of some of the public
12 officials you met with is that one thing we need
13 to do is build more power plants.

14 MR. FIORI: Correct.

15 PRESIDING MEMBER LAURIE: And I would
16 just note and concur with that. The true
17 resolution is far more complex than simply
18 building more power plants.

19 MR. FIORI: And we agree. And this is
20 one part of that solution. And that's why we're
21 here to support the project.

22 PRESIDING MEMBER LAURIE: Thank you,
23 sir.

24 MR. FIORI: Sure, thank you.

25 PRESIDING MEMBER LAURIE: Ms. Coffey.

1 MS. COFFEY: I'm coming --

2 PRESIDING MEMBER LAURIE: Okay, should
3 we -- okay. Good morning.

4 MS. COFFEY: Good morning,
5 Commissioners. My name is Pepper Coffey, 1164
6 Cove View Way, San Diego 92154.

7 I'm also a resident in the Otay Mesa
8 area, and I regret that I am not listed as an
9 intervenor, but I just got involved in the
10 situation in the South Bay when you noticed the
11 Larkspur facility peaking plant.

12 I've read the associated documents on
13 cumulative impacts and find them to be inadequate
14 for this project. The Commission should insure
15 that it takes appropriate steps to balance the
16 location, impacts and benefits of facilities
17 throughout the San Diego region.

18 While the Otay Mesa Power Plant
19 mitigated air emissions by converting trash trucks
20 from diesel to natural gas, the effort was outside
21 the South Bay region. Consequently, the South Bay
22 will suffer the effects of the emissions while
23 north and east County will enjoy the benefits of
24 the mitigation. This is not well taken.

25 Many peaking and renewable power plants

1 may be brought on line by September 30, 2001,
2 under Public Resources Code section 15705, which
3 grants the Energy Commission emergency permitting
4 authority and Executive Order D-2601 and D-2801,
5 issued February 8th and 7th, which I'm sure you're
6 aware.

7 Having been declared by the Governor to
8 be emergency projects under the Public Resources
9 Code, these projects are exempt from the
10 requirements of California Environmental Quality
11 Act. By also building smaller plants, below 50
12 tons per NOx emissions, and 50 tons per year of
13 organic gas emissions, facilities will not trigger
14 the San Diego Air Pollution Control District's
15 emission offset thresholds.

16 Currently there are five existing or
17 proposed power plants in the South San Diego/Chula
18 Vista area. These plants combined propose a
19 cumulative generation capacity of well over 2000
20 megawatts.

21 April 3, 2001, the County Board of
22 Supervisors also voted to allow peaker plants on
23 East Otay Mesa. South San Diego/Chula Vista area
24 residents and businesses must bear the resulting
25 environmental impacts in the South Bay airshed.

1 The five plants are the South Bay Power
2 Plant, 706 megawatts, in Chula Vista. And to
3 reduce operating costs and burn cleaner, Chula
4 Vista continues to support the concept of
5 redesigning and rebuilding the plant with the
6 proposed output of 1000 megawatts.

7 There's also the Ramco Facility, a 44
8 megawatt new peaker plant in Chula Vista. It also
9 has a new proposal coming forward, if it hasn't
10 already been, if it's not already forward, it will
11 be coming forward in the next couple days with an
12 additional 57.6 megawatt plant to be on line this
13 summer under the emergency permitting application.

14 There's the Otay Mesa Power Plant, of
15 which we speak today.

16 There's the Wildflower Energy Larkspur
17 facility which was approved by the Commission
18 earlier this week, which is 90 megawatts.

19 And there's the CalPeak Power Lone Star
20 number 4 power plant with 49.3 megawatts. About a
21 mile north of the Larkspur facility.

22 The combined effect of these power
23 plants is equivalent to a very substantial
24 facility. But the substantial amount of planned
25 development in the South County during the next

1 ten years, it is incumbent on the applicant to
2 discuss the cumulative impacts that can result
3 from these collectively significant projects.

4 I am not against power plants in San
5 Diego County. I am against the South Bay being
6 taken advantage of because Californians find
7 themselves in a bad situation.

8 Thank you for allowing me to comment on
9 this project.

10 PRESIDING MEMBER LAURIE: Thank you, Ms.
11 Coffey.

12 The representative from the Waste
13 Management Board. Good morning.

14 MS. SOROKA: Good morning. For the
15 record my name is Gaye Soroka. I'm Vice President
16 of Government Affairs, and I'm here representing
17 Waste Management of San Diego. Not the Waste
18 Management Board.

19 And I think the question that would come
20 to mind is what's a trash company doing at an
21 energy hearing. We're here in support of this
22 project and the issuance of a permit to construct
23 the Otay Mesa Power Plant because we're proud to
24 be part of a very unique partnership with PG&E
25 National Energy Company that is basically

1 revolutionizing the way garbage companies will do
2 business in the future.

3 Our plant with PG&E National to convert
4 120 diesel trucks in this region to natural gas
5 burning vehicles is unprecedented, because of the
6 size. And the time period in which those trucks
7 are being converted.

8 As we speak we now have 40 clean fuel
9 burning vehicles on the streets in the greater San
10 Diego region, a new fueling station completed.
11 And we're, right now, before the plant is issued
12 its permit, cleaning up the air.

13 The former speaker mentioned that
14 unfortunately the air quality will be improved in
15 east County and not in the South Bay. And while
16 we are not the hauler in the City of Chula Vista,
17 Imperial Beach and National City, we do do a
18 significant amount of business in the
19 unincorporated area of the South Bay, and in the
20 City of San Diego and district 8.

21 So, these clean fuel burning vehicles
22 will be on the streets in the Otay Mesa area, and
23 they're starting right now, 40 of them. And by
24 the end of 2002 120 trucks, diesel fuel trucks,
25 will be out of this region and we'll have clean

1 fuel burning vehicles in this region.

2 The other thing that's significant about
3 the partnership that came about because of the
4 need for a new energy plant is Waste Management,
5 by its size, is the largest solid waste company in
6 the United States.

7 The impact of this project on the way we
8 do business across the U.S. is tremendous. We are
9 now reevaluating all of our decisions on clean
10 fuel burning vehicles and moving into natural gas
11 versus some alternative technologies because of
12 the sheer weight of the conversion.

13 We also couldn't do this alone. We've
14 partnered with Mack Trucking, which in order to
15 make these conversions you've got to be able to
16 have the kinds of engines that will power the
17 trucks to allow us to service. Mack Trucking has
18 made a commitment to provide not only to our
19 company, but other garbage companies, the ability
20 and to have the technology to change the way we do
21 business and clean up the air right now.

22 The air is cleaner in San Diego because
23 of this partnership with PG&E National Energy
24 Company. The air will be cleaner when we're
25 finished making our conversion. And we urge you

1 to move forward on this project. We need the
2 energy. And we're pleased to be part of a group
3 that will help clean up the air in San Diego.

4 Thank you.

5 PRESIDING MEMBER LAURIE: Thank you, Ms.
6 Soroka. Would you spell your last name for the
7 record, please.

8 MS. SOROKA: It's S-o-r-o-k-a.

9 PRESIDING MEMBER LAURIE: Thank you very
10 much. Any other member of the public wish to
11 comment at this time?

12 Ms. Mendonca.

13 MS. MENDONCA: Yes, I received a letter
14 from the Otay Mesa Chamber of Commerce directed to
15 the Commissioners.

16 They represent over 400 business owners
17 and 16,000 employees, and they are in strong
18 support of the Otay Mesa Generating project. And
19 they are hoping and looking forward to
20 certification by the end of April of this year. I
21 will docket this letter.

22 I also received an email from Mr. Clyde
23 Storey, who is an El Cajon resident. The email
24 was received on April 4th. I won't repeat what he
25 said in the email, but summarize it simply to say

1 that he had expressed concerns about the PMPD and
2 characterized it as a careless decision. And I
3 have docketed and distributed that email.

4 Thank you.

5 PRESIDING MEMBER LAURIE: Thank you very
6 much. Mr. Miller. Good morning, sir.

7 MR. MILLER: Thank you. My name is Hugo
8 Miller. I'm a mechanical engineer, retired now.
9 I'm a designer for clean air equipment and
10 cogeneration equipment.

11 I opposed this project the first time I
12 read it in the paper, and that was only because it
13 was not a cogeneration project. That the waste
14 heat going out the power plant was just up into
15 the air as emissions.

16 I was hoping that the power plant would
17 then change to cogeneration and supply the heat
18 that was going up the stack to the area for the
19 general public to use.

20 I wrote letters to Sharon, and to Eileen
21 at the Energy Commission, and both of them have
22 acknowledged that they received those letters.

23 I made up a package of what was in those
24 letters for cleaning up the air. I agree with the
25 project, it needs to be built. I'm in full

1 agreement that we need the power. But I think we
2 do need to use the power more efficiently.

3 I wrote two different designs and
4 descriptions of designs. One of them was called
5 the energy savings system.

6 The second one was just recently I wrote
7 with the energy recovery and atmosphere cleansing
8 system.

9 These two systems I sent to both Sharon
10 and Eileen in last week. My last writing was
11 dated April 4, 2001.

12 And I want to read the first paragraph
13 of this thing and then I'll turn the mike over to
14 somebody else.

15 By combining the two advanced
16 cogeneration energy improvement systems and
17 created a new concept for power plant design, a
18 maximum use of heat developed in production of
19 electrical power from natural gas burned is
20 possible.

21 I believe that frugality in the use of
22 energy can reduce the cost of utilities to the
23 entire population. We must find ways to use and
24 reuse the heat as it is created. In doing so,
25 create less waste of the natural resources that we

1 have.

2 Thank you.

3 PRESIDING MEMBER LAURIE: Thank you, Mr.
4 Miller.

5 MR. MILLER: I want to say that I have
6 copies of these to give to whoever will use them.
7 I haven't distributed them other than to the two
8 people that were --

9 PRESIDING MEMBER LAURIE: We do -- has
10 that been docketed, Ms. Allen?

11 MS. ALLEN: Mr. Miller, I haven't had a
12 chance to docket it yet. I do have it, and I'll
13 docket it on Monday.

14 I've also made copies of your papers for
15 our technology development group under the Public
16 Interest Energy Research Program. They're taking
17 a look at it and I'll keep urging them to get in
18 touch with you.

19 MR. MILLER: Thank you.

20 PRESIDING MEMBER LAURIE: Thank you,
21 sir.

22 Any additional public comments? Yes,
23 sir. No. Okay. Any other member of the public
24 wish to offer comments at this point?

25 Then it is the Committee's intent to take

1 comments under submission.

2 We will rule on all pending motions.
3 The Committee will determine the extent to which
4 it will modify it's Presiding Member's Proposed
5 Decision.

6 Absent significant amendment, the full
7 Commission will hear the matter on April 18th.

8 HEARING OFFICER GEFTER: I wanted to
9 indicate on April 18th, for those who cannot
10 travel to Sacramento, you may access the hearing
11 via a toll free phone number conference call. And
12 that was in our notice. I will give out that toll
13 free number right now. It's (877) 601-3548.

14 And anyone may call in and participate
15 in the business meeting when the item comes up on
16 the agenda.

17 PRESIDING MEMBER LAURIE: If there are
18 substantial modifications to the proposed
19 decision, the matter then will not be heard on
20 April 18th. It will be heard at some time
21 following, with appropriate notice.

22 With that, the meeting stands adjourned.
23 I thank you very much.

24 (Whereupon, at 11:58 a.m., the Committee
25 conference was concluded.)

CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Public Committee Conference; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said conference, nor in any way interested in outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, 2001.

VALORIE PHILLIPS

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